

ANNOUNCEMENT

Lisbon, June 01, 2017

Coral South Final Investment Decision

Galp informs that the Area 4 consortium in Mozambique has ratified today the Final Investment Decision (FID) for the Coral South FLNG project.

The Floating Liquefied Natural Gas (FLNG) unit will have a capacity of c.3.4 mtpa and will be located in the Southern part of the Coral discovery, which sits exclusively within Area 4.

The consortium has also awarded today the Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) contract for the FLNG unit to the TJS consortium (Technip, JGC, Samsung). Additionally, the consortium awarded the upstream contracts for the drilling rig, umbilicals and subsea production systems for the development of the area. Total development capex for upstream and midstream is estimated at c.\$7 billion (bn) and first gas is expected during 2022.

The Area 4 consortium has also signed a c.\$5 bn project financing package with a syndicate of leading ECAs and international financial institutions.

In October 2016, the consortium signed an agreement with BP for the offtake of the volumes produced through the Coral South FLNG, for a period of 20 years.

The launch of the Coral South project is an important milestone in Galp's strategy towards a lower carbon portfolio mix and marks the first step of a wider plan of development for Area 4. Total discoveries are estimated at c.85 Tcf of GIIP, including the large Mamba discovery. Due to the size and quality of the resource base, its prime location, and potential economies of scale, it is expected that the Rovuma basin will play an important role in the natural gas industry.

Eni East Africa (EEA) holds a 70% stake in Area 4, with ENH, Kogas and Galp each holding 10%. Once the ExxonMobil – EEA transaction completes, the economic interests in Area 4 are expected to be 25% for each of Eni and ExxonMobil, 20% for CNPC, and 10% for each of Galp, ENH and Kogas.

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